# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

UNSTARRED QUESTION NO:2531
ANSWERED ON:09.12.2014
RURAL CO OPERATIVE COMMITTEES
Birla Shri Om

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether the rural co-operative Committees are in a dismal condition;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government has announced or proposed to announce any package for rejuvenating the said Committees;

(d) if so, the details thereof;

(e) whether the State Government have submitted proposals for strengthening the said Committees in their respective State; and

(f) if so, the details thereof, State-wise?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) & (b): Financial condition of rural cooperative credit institutions including Primary Agricultural Cooperative Societies (PACS) have been impaired due to several factors which, inter-alia, include low resource base, poor recoveries, lack of business diversification, huge accumulated losses, lack of professionalism in the management, lack of skilled manpower, poor internal control systems etc.

(c) to (f): A revival package for the Short Term Cooperative Credit Structure (STCCS) was approved by the Government of India in 2006. Assistance under the package was to be released in the phases, on completion of agreed benchmark activities, as per the Memorandum of Understanding (MoU) signed by respective State Governments with Government of India and National Bank for Agriculture and Rural Development (NABARD). The revival package provided financial assistance for cleansing of balance sheets of Primary Agricultural Cooperative Societies (PACS), District Central Cooperative Banks (DCCBs) and State Cooperative Banks (St CBs) as on 31.03.2004 and strengthening their capital base for attaining capital adequacy of 7% as on 31.3.2004.

However, such financial assistance was contingent upon the State Governments bringing legal reforms encompassing amendment to Cooperative Societies Act, Rules and Bye laws to strengthen democratic and autonomous functioning and supremacy of the elected Board and institutional reforms to build up proper accounting, monitoring and internal control systems in the cooperative credit institutions with computerization. As per MoU, the period of implementation of Revival Package was for three years from the date of signing of MoU, which was extended till 30.06.2011 for all the States. The Package was closed on 30.06.2011.

The Government of India had released an amount of Rs.9245.27 crore under the package as per the details Annexed.